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| |  |  | | --- | --- | | **The Ministry of Education and Training**  **HOCHIMINH CITY OPEN UNIVERSITY** | **SOCIALIST REPUBLIC OF VIETNAM**  **Independence – Liberty – Happiness** | |  |

**BACHELOR PROGRAM**

**SYLLABUS**

1. **COURSE INFORMATION**
   1. Name: **AUDITING 1 -ACCA F8 Part 1**
   2. Course code: ACCO3323
   3. Provided by: **Accounting-Auditing Faculty**
   4. Course Credit: 03 credits
2. **COURSE DESCRIPTION**

The Auditing 1 course provides basic knowledge about auditing framework and regulation of the industry consisting of the nature and activities of audit and assurance. This course explains basic auditing concepts and approach method used in audit and assurance, for example, materiality, inherent risk, control risk and audit risk. The Auditing 1 educates students in various types of auditing activities such as external auditing services, state audit, independent audit and other assurance services. This course also describes the comprehensive process of auditing in an entity including audit engagement, planning and risk assessment, audit evidence and different types of audit reports.

**3. COURSE OBJECTIVES**

* 1. **General objectives**

This course aims to provide basic knowledge and skills related to auditing profession consisting of independent audit services and assurance services for financial statements. The students, who take this course, should define and illustrate auditing process of financial statements conducted by independently auditing profession. Based on such understanding, the students might study standards and related regulations in auditing by themselves.

* 1. **Specific objectives**
     1. **Knowledge**

After completing this course, students are able to:

* Explain the concept of assurance engagements, such as the external audit and the different levels of assurance that can be provided.
* Define the purpose of an external audit and the respective roles of auditors and management.
* Define nature and role of auditing activities in the economy, and distinguish different types of audit services and operations.
* Explain the necessary processes and actions of an auditor in order to meet the objectives of an audit.
* Explain and describe professional ethics and audit threats.
* Describe the basics of legal and regulatory requirements and environment affecting the operation of independent audits and responsibilities of auditors.
* Describe five components of an organization’s internal control system and explain the necessity to analyze the control environment; the entity's risk assessment process; the information system, including processes relevant to financial reporting and communication; control activities relevant to the audit; and monitoring of controls.
* Discuss the scope of internal audit and the limitations of the internal audit function.
* Describe and evaluate information systems and internal controls to identify and communicate control risks and their potential consequences to the entity's management.
* Describe audit risks, components of audit risks including inherent risk, control risk and detection risk, and discuss the influence of each type of risk on audit risk.
* Define the concept of materiality and explain how to apply this concept in planning and conducting audit procedures.
* Identify and describe the contents of the overall audit strategy and audit plan.
* Describe the form and contents of working papers and supporting documentation.
  + 1. **Skills objectives:**

After completing this course, students are able to:

* Explain nature and requirement of “true and fair” financial statements;
* Apply knowledge to assess internal control system in terms of efficiency and effectiveness;
* Approach and assess information resources and necessary documents;
* Realize and analyses audit risks at fundamental level;
* Plan an audit engagement, including calculate material threshold and assess audit risks;
* Analyze the influence of accounting policies over an entity in preparing and presenting its’ financial statements;
* Perform audit procedures consisting of tests of controls, substantive analytical procedures and substantive tests of details;
* Work in team, debate and present a topic.
  + 1. **Attitude:**

Through the study progress, the students realise professional behavior and can apply professional ethics in performing audit.

1. **CONTENTS:** 4 hours of in-class lectures per week

| **No.** | **Chapter** | **Details** | **Lecture hour** | | | | **Materials** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Total** | **Theory** | **Exercise** | **Practice** |  |
| 1 | Chapter 1:  **Audit and other assurance engagements** | * The concept of audit and other assurance engagements. * External audits. | **4.5** | 3.5 | 1 | 0 | Textbook 1, chapter 1 |
| 2 | Chapter 2:  **Statutory audit and regulation** | * The regulatory environment of external audits * The statutory regulations governing the appointment, rights, removal and resignation of auditors. * International Standards on Auditing and the relationship between International Standards on Auditing and national standards. | **4.5** | 3.5 | 1 | 0 | Textbook 1: Chapter 2. |
| 3 | Chapter 3:  **Corporate governance** | * The objectives, relevance and importance of corporate governance. * The provision of corporate governance. * Good corporate governance requirements and governance deficiencies. * The importance of internal control and risk management and role of external auditors | **4.5** | 3.5 | 1 | 0 | Textbook 1: chapter 3 |
| 4 | Chapter 4:  **Professional ethics and quality control procedures** | * The fundamental principles of professional ethics and professional behaviour. * The threats to the fundamental principles. * The safeguards to offset the threats to the fundamental principles. * The auditor's responsibility. * The requirements of professional ethics and ISAs. * The importance of engagement letters and their contents. * The quality control procedures. | **4.5** | 3.5 | 1 | 0 | Textbook 1: chapters 4. |
| 5 | Chapter 5:  Internal Audit | * The factors to be taken into account when assessing the need for internal audit. * The elements of internal audit. * The different role of external and internal audit. * The scope of internal audit and the limitations of the internal audit function. * The nature and purpose of internal audit assignments. * The format and content of audit review reports. * Comparison on the responsibilities of internal and external auditors. | **4.0** | 3.0 | 1 | 0 | Textbook 1: Chapter 5 |
|  | Mid-term test |  | **0.5** |  |  |  | (the duration of mid-term test may be adjusted) |
| 6 | Chapter 6:  Risk assessment | * Objective and general principles. * Assessing audit risks. * Understanding the entity and its environment * Fraud, laws and regulations | **4.5** | 3.5 | 1 | 0 | Textbook 1: Chapter 6 |
| 7 | Chapter 7  Audit planning and documentation | * The need for, and importance of, planning an audit. * The contents of the overall audit strategy and audit plan. * The difference between interim and final audit. * The need for, and the importance of, audit documentation. * The form and contents of working papers and supporting documentation. | **4.5** | 3.5 | 1 |  | Textbook 1: Chapter 7 |
| 8 | Chapter 8  Introduction to audit evidence | * The assertions contained in the financial statements. * Audit procedures to obtain audit evidence. * The quality and quantity of audit evidence. * The relevance and reliability of audit evidence. | **4.5** | 3.5 | 1 |  | Textbook 1: Chapter 8 |
| 9 | Chapter 9  Internal control systems | * Internal control systems * The use and evaluation of internal control systems by auditors * Tests of control. * Communication on internal control. * Audit procedures | **4.5** | 3.5 | 1 |  | Textbook 1: Chapter 9 |
| 10 | Chapter 10  Test of control | * Control objectives. * Control procedures. * Control activities; * Tests of control. | **3.5** | 3.0 | 0.5 |  | Textbook 1: Chapter 10 |
|  | Review | Reviewing key issues and answering requests. | **1** | 0.5 | 0.5 |  |  |
| **Tổng cộng** | | | **45** | **35** | **10** |  |  |

1. **STUDY MATERIALS**
   1. **Textbook** 
      * **Textbook 1:** Audit and assurance – Study text (ACCA F8), BPP Learning Media 2015.
      * **Textbook 2:** Audit and assurance – Practice and revision kit (ACCA F8), BPP Learning Media 2015.
   2. **References:**
      * Auditing Division, Faculty of Accounting and Auditing, University of Economics HCMC (2017). Auditing– 7th Edition. UEH Publishing House.
      * Arens A. A, Elder R.J., and M.S. Beasley (2012), Auditing and Assurance Services – An Integrated Approach, Pearson Prentice Hall.
      * Gramling, Johnstone, K., A. and L.E. Rittenberg (2014). Auditing: A Risk-based Approach to Conduct a Quality Audit – 9th Edition. South-Western Cengage Learning.
      * Vietnamese Accounting standard 1- VAS 01 (2002): General regulation,issued by the Ministry of Finance.
      * The International Accounting Standard Board’s. Accounting conceptual framework 2010. Published by IFRS Foundation.
      * Vietnamese Standards on Auditing (2013), Finance of Ministry, Finance Publishing House.
2. **STUDY ASSESSMENT:**
   1. Score grading scale: The course grading scale is 10-point system, with ten being the highest and zero being the lowest.
   2. Type of assessment: multi-choice questions. The students do not allow to using study materials during the examination time.
   3. Method and conduct of assessments

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| **No.** | **Method of assessment** | **Ratio** |
| 1 | Process assessment | 20% |
| 2 | Mid-term examination | 30% |
| 3 | Final examination | 50% |

1. **ANTICIPATED SCHEDULE:**

| **Week** | **Chapter** | **Details** | **Notes** |
| --- | --- | --- | --- |
| 1 | Chapter 1:  Audit and other assurance engagements | * The objective and general principles of external audit engagements. * The nature and development of audit and other assurance engagements. * The objectives and elements of an assurance engagement. * The concept of true and fair presentation. * The limitations of statutory audits. |  |
| 2 | Chapter 2:  Statutory audit and regulation | * The regulatory environment within which external audits take place. * The reasons and mechanisms for the regulation of auditors. * The statutory regulations governing the appointment, rights, removal and resignation of auditors. * The development and status of International Standards on Auditing and the relationship between International Standards on Auditing and national standards. |  |
| 3 | Chapter 3:  Corporate governance | * The objectives, relevance and importance of corporate governance. * The provisions of international codes of corporate governance relevant to auditors. * Good corporate governance requirements and governance deficiencies. * The structure and roles of audit committees and discuss their benefits and limitations. * The importance of internal control and risk management and role of external auditors |  |
| 4 | Chapter 4:  Professional ethics and quality control procedures | * The fundamental principles of professional ethics and professional behaviour. * The threats to the fundamental principles of self-interest, self-review, advocacy, familiarity and intimidation. * The safeguards to offset the threats to the fundamental principles. * The auditor's responsibility with regard to auditor independence, conflicts of interest and confidentiality. * The requirements of professional ethics and ISAs in relation to the acceptance of audit engagements. * The importance of engagement letters and their contents. * The quality control procedures over engagement performance, monitoring quality and compliance with ethical requirements. |  |
| 5 | Chapter 5:  Internal Audit | * The factors to be taken into account when assessing the need for internal audit. * The elements of best practice in the structure and operations of internal audit. * The different role of external and internal audit. * The scope of internal audit and the limitations of the internal audit function. * The nature and purpose of internal audit assignments. * The nature and purpose of operational internal audit assignments. * The format and content of audit review reports. * The responsibilities of internal and external auditors for the prevention and detection of fraud and error. |  |
|  | Mid-term test |  |  |
| 6 | Chapter 6:  Risk assessment | * Objective and general principles. * Assessing audit risks. * Understanding the entity and its environment * Fraud, laws and regulations |  |
| 7 | Chapter 7  Audit planning and documentation | * The need for, and importance of, planning an audit. * The contents of the overall audit strategy and audit plan. * The relationship between the overall audit strategy and the audit plan. * The difference between interim and final audit. * The impact of the work performed during the interim audit on the final audit. * The need for, and the importance of, audit documentation. * The form and contents of working papers and supporting documentation. |  |
| 8 | Chapter 8  Introduction to audit evidence | * The assertions contained in the financial statements. * Audit procedures to obtain audit evidence. * The quality and quantity of audit evidence. * The relevance and reliability of audit evidence. |  |
| 9 | Chapter 9  Internal control systems | * Internal control systems * The use and evaluation of internal control systems by auditors * Tests of control. * Communication on internal control. * Audit procedures |  |
| 10 | Chapter 10  Test of control | * Control objectives. * Control procedures. * Control activities; * Tests of control in relation to: the sales system; the purchases system; the payroll system; the inventory system; the cash system; non-current assets. |  |
|  | Review | Reviewing key issues and answering requests. |  |

**Ho chi minh City, 19/12/ 2017**

**Dean**

**Dr. Ho Huu Thuy**